

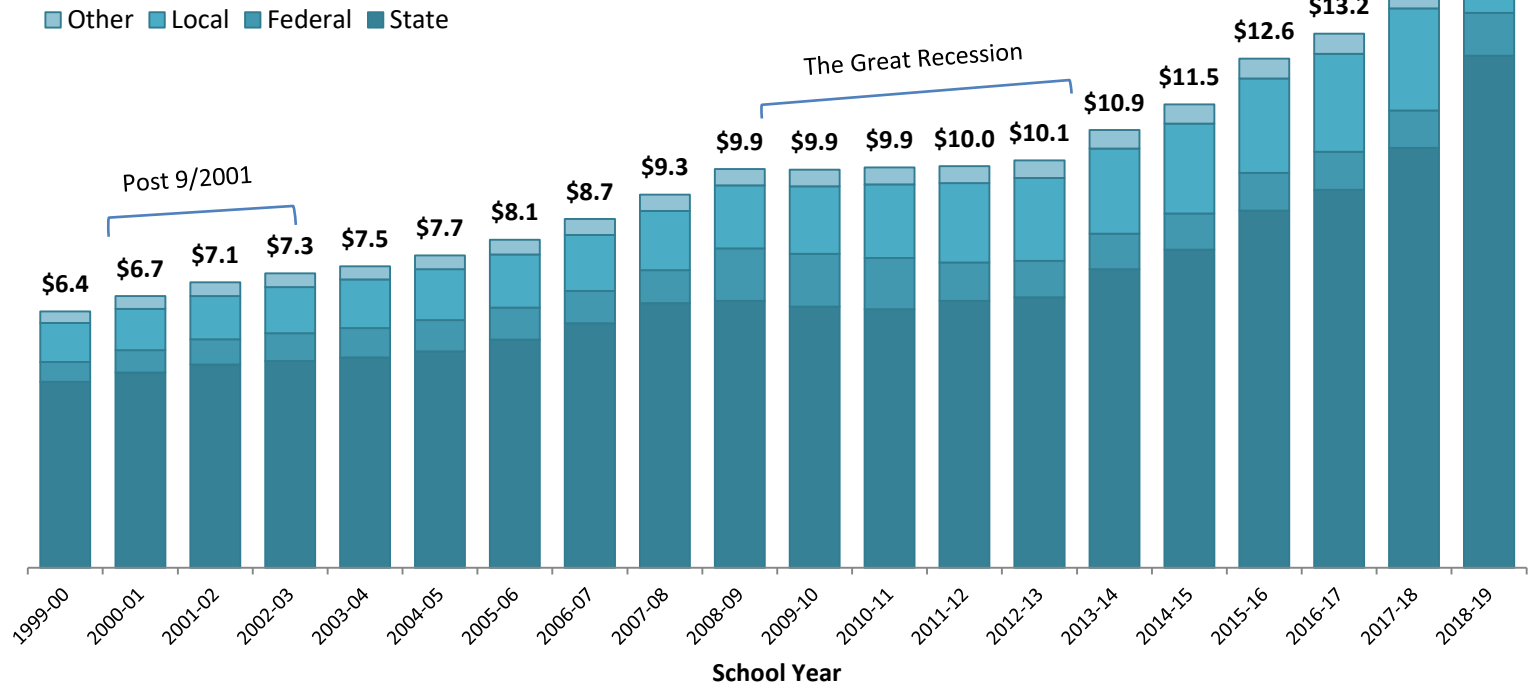
Past K-12 Funding Patterns and Practices During Recession

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Total K-12 funding growth from year-to-year becomes flat during recessionary periods.

Total K-12 Public Schools Funding by Source

As reported by school districts to the Office of the Superintendent of Public Instruction
Dollars in billions



Historic State Budget Practices

During periods of recessionary cuts

School districts enter into year-long employment contracts with staff, representing about 90% of school district's operating budgets, which cannot be cut at the local level mid-year.

*Effect: If **non-basic ed** savings are enacted, the legislature usually pushes those to the next school year.*

Historic State Budget Practices

During periods of recessionary cuts

State funding to schools is paid out over two state fiscal year periods which allows the state to push costs into the next fiscal year.

Effect: The legislature can change the timing of payments from June to July and save the state \$100s of millions without affecting total funding to schools.

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Historic State Budget Practices

During periods of recessionary cuts

Non-basic education budget savings for K-12 are directed by the legislature.

The Supreme Court has stated basic education funding is constitutionally protected and cannot be reduced due to fiscal crisis.

The Governor has limited authority to order across the board state expenditure reductions for non-constitutionally protected funds.

Effect: The legislature needs to convene a special session to enact K-12 budget savings. Until this happens, upcoming changes to K-12 state revenues are unknown.

What is Basic Education?

The Courts have stated that basic education cannot be cut by the state unless there is an educational rationale to do so, which would not include a fiscal crisis.

Because of this, K-12 does not receive “across the board” cuts, as the funding is constitutionally protected.

2019-21 Enacted Biennial Budget		
<i>Dollars in Millions</i>		
BASIC EDUCATION PROGRAMS		
General Apportionment (RCW 28A.150.260)	\$19,294	70.7%
Special Education (RCW 28A.150.370)	2,959	10.8%
Transportation (RCW 28A.160.150)	1,231	4.5%
Learning Assistance Program (RCW 28A.165)	890	3.3%
Bilingual (RCW 28A.180)	412	1.5%
Highly Capable Program (RCW 28A.185)	62	0.2%
Institutions (RCW 28A.190)	32	0.1%
Sub-Total: Basic Education Programs	\$24,880	91.1%
CONTRACTUAL & STATUTORILY REQUIRED COMPENSATION ADJUSTMENTS		
Incremental Benefit Adjustments	\$1,106	4.1%
Sub-Total: Compensation Adjustments	\$1,106	4.1%
NON-BASIC EDUCATION PROGRAMS		
Local Effort Assistance (Levy Equalization)	\$755	2.8%
Education Reform	272	1.0%
Grants and Pass-Through Funding	71	0.3%
OSPI & Statewide Programs	61	0.2%
Educational Service Districts	23	0.1%
Professional Educator Standards Board	20	0.1%
Food Service	14	0.1%
State Board of Education	3	0.0%
Charter Schools	100	0.4%
Charter School Commission	0	0.0%
Sub-Total: Non-Basic Education Programs	\$ 1,319	4.8%
TOTAL - STATE FUNDS*	\$27,305	100%
*“State Funds” include the General Fund-state, Opportunity Pathway and the Education Legacy Trust, together known as Total Near General Fund-State.		

What revenues are anticipated to change next year?

Local - Levies will take about 2 years to react to market changes.

Federal – Title I schools have been authorized an 86% increase in Title I funding through the CARES Act.

State – 90% of state funding is constitutionally protected basic education, which cannot be reduced because of a fiscal crisis.

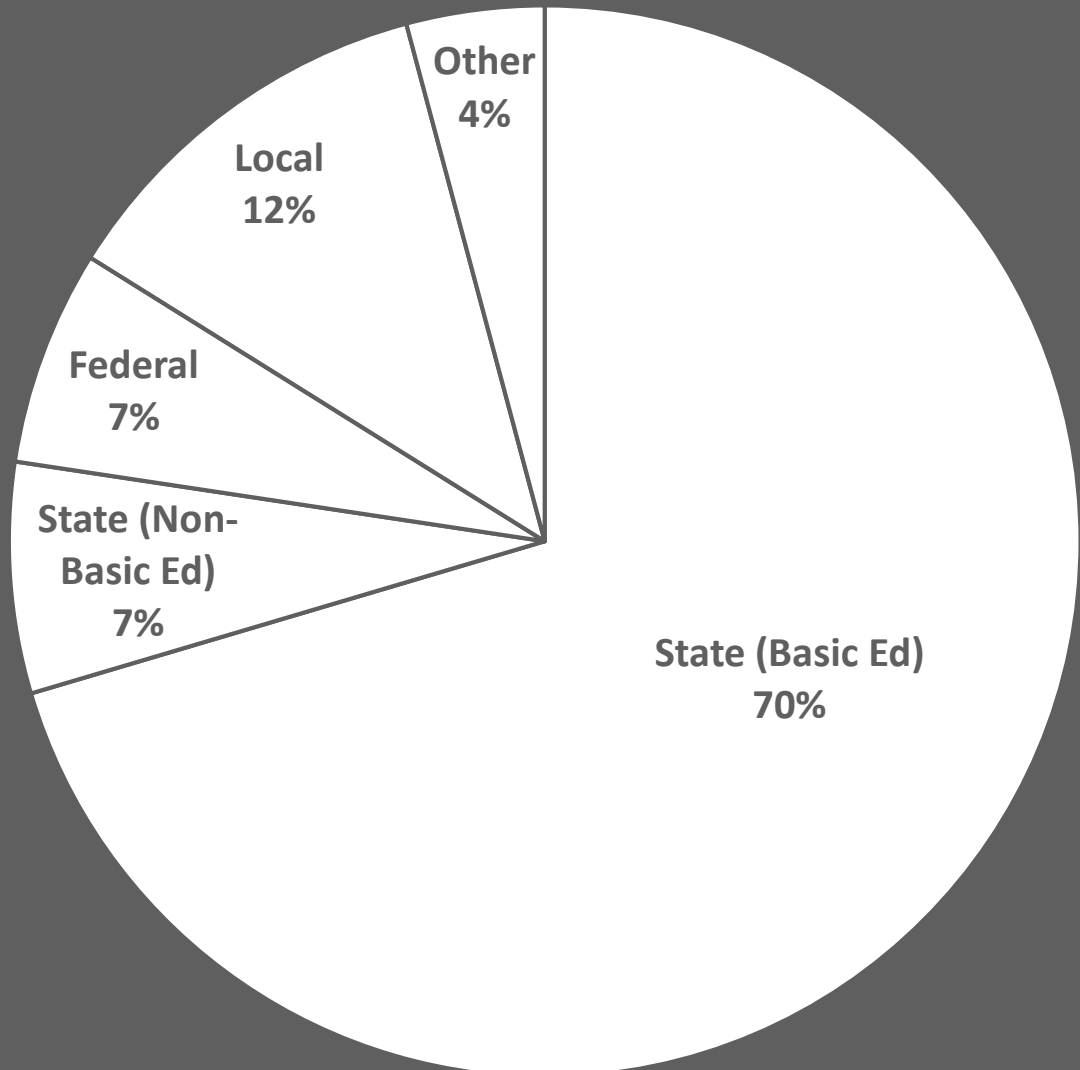
It can be anticipated non-basic education funding such as small state grants to school districts will be cut.

Local Effort Assistance (LEA) at the state level equates to about 3% of the total state revenues. This proportion may be higher in your district.

LEA has never been eliminated during a fiscal crisis.

K-12 GENERAL FUND REVENUES BY FUND SOURCE

AS REPORTED BY SCHOOL DISTRICTS TO OSPI
SY 19-20

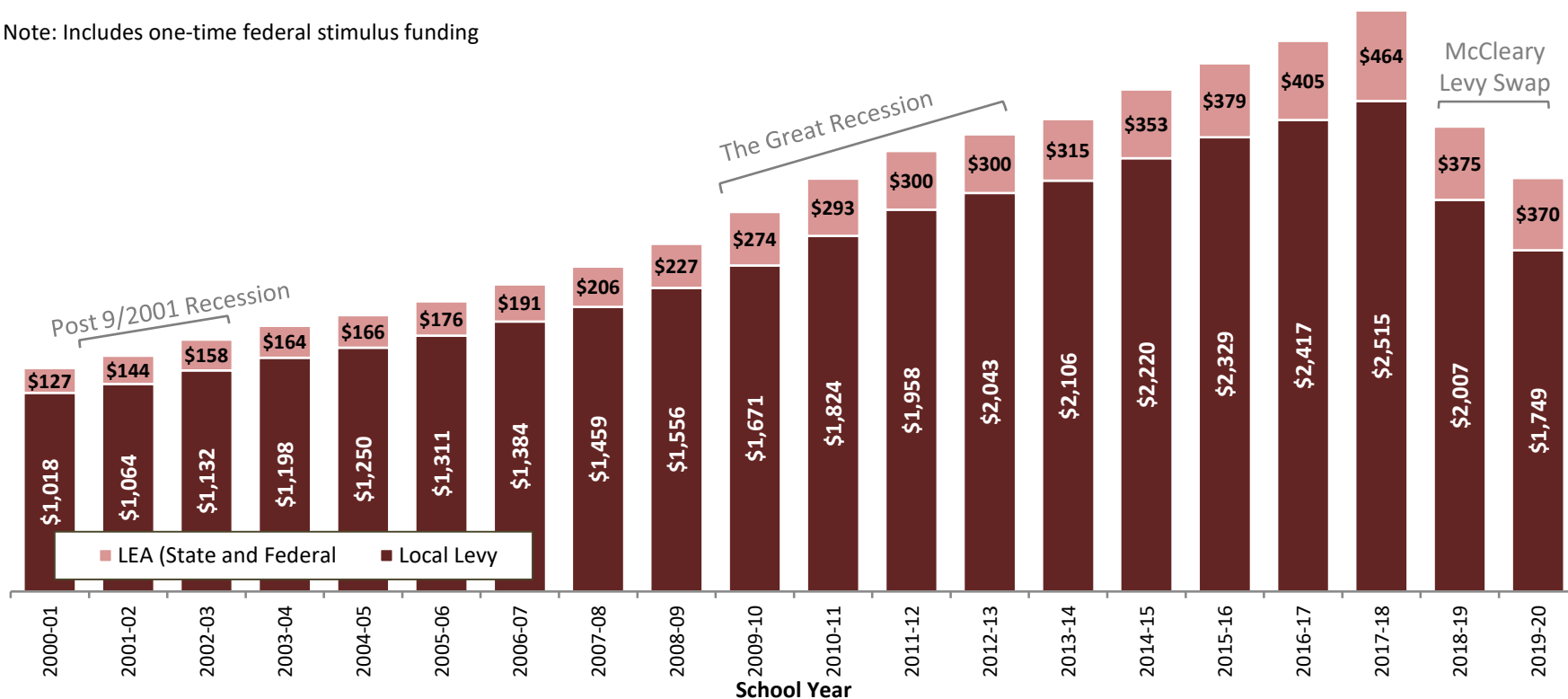


Levy and LEA revenue continues to grow during recession

K-12 Local Levy and LEA Revenue

As reported by school districts to the Office of the Superintendent of Public Instruction
Dollars in millions

Note: Includes one-time federal stimulus funding



Cumulative enrollment changes

Enrollment during recessions does not recede, but increases overall.

